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Department of
Agriculture



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A Risk Management Agency Fact Sheet

About the Risk Management Agency

May 2000

The Risk Management Agency (RMA) is part of USDA. Our role is to help farmers manage their business risks. RMA's mission is to strengthen the safety net for agricultural producers through sound risk management programs and education.

As part of this mission, RMA operates and manages the Federal Crop Insurance Corporation (FCIC). RMA was created in 1996; the FCIC was founded in 1938.

RMA employs approximately 530 people in offices around the country. The administrative budget is \$64 million (FY2000) and has not increased in the past 3 years. Meanwhile, the size of the program has grown tremendously (see chart, p. 2). In 1999, RMA managed over \$30 billion worth of insurance liabilities (see table). RMA Administrator Ken Ackerman also serves as the manager of the FCIC. Located within the Office of the Administrator is the Director of External Affairs, the Director of Civil Rights and Outreach, the Director of Program Support and Chief Information Officer, the Chief Financial Officer, and the Secretary to the Board of Directors of the FCIC.

The agency has three divisions: Insurance Services, Research and Development (R&D), and Risk Compliance. Insurance Services is responsible for program marketing (e.g., managing the contracts with the companies that sell the policies). R&D is responsible for product development and for operating the computer program and accounting systems. Risk Compliance monitors compliance with program terms by both farmers and the insurance companies that sell policies to farmers.

RMA, via the FCIC, provides crop insurance to American farmers. Seventeen private-sector insurance companies sell and service the policies. RMA develops and/or approves the premium rates and reinsures the 17 companies.

In addition, RMA sponsors educational programs and seminars on the general topic of risk management. RMA also sponsors risk management clubs where farmers can work together to learn more about managing their risks. This year, RMA will begin offering training to farmers via the

Internet. RMA does not provide income support to farmers, nor does it offer services provided by the Nation's commodity exchanges. By statute, RMA is prohibited from directly insuring crop prices.

RMA is headquartered in the USDA South Building at:

RMA-USDA
Room 3053-South
1400 Independence Ave., SW
Washington, DC 20250-0801

Program Size, 1999

Number of Policies	1.85 million
Premium Volume	\$2.3 billion
Crop Value Insured	\$31 billion
Acres Insured	194 million

Contacts

External Affairs	202-720-5846
Civil Rights	202-690-6068
Congressional Affairs	202-690-2495
Insurance Services	202-690-4494
Research & Development	816-926-7394
Risk Compliance	202-720-0642

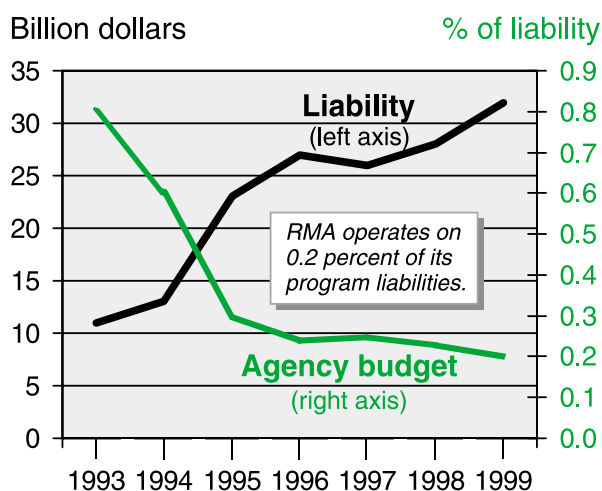
Additional information about RMA can be found on its web site (www.rma.usda.gov), including state-by-state summaries of insurance sales and information on pilot programs and crop policies. Electronic inquiries may be e-mailed to: RMA_mail@wdc.usda.gov

Crops Insured for the 2000 Crop Year

Almonds	Citrus Trees (TX):	Flue-cured Tobacco	Pecan Revenue
Avocado Revenue Coverage	♦ Oranges	Forage Production	Peppers
Avocado Trees	♦ Grapefruit	Forage Seeding	Plums
Barley	Corn	Fresh Market Sweet Corn	Popcorn
Blueberries	Cotton	Fresh Market Tomatoes	Potatoes
Burley Tobacco	Cotton Ex Long Staple	Grain Sorghum	Processing Beans
Cabbage	Crambe	Grapes	Prunes
Canola	Cranberries	Green Peas	Raisins
Cherries	Cultivated Clams	Hybrid Corn Seed	Rangeland
Cigar Binder Tobacco	Cultivated Wild Rice	Hybrid Sorghum Seed	Rice
Cigar Filler Tobacco	Dark Air Tobacco	Macadamia Nuts	Rye
Cigar Wrapper Tobacco	Dry Beans	Macadamia Trees	Safflower
Citrus:	Dry Peas	Mango Trees	Soybeans
♦ Grapefruit	Figs	Maryland Tobacco	Sugar Beets
♦ Lemons	Fire-cured Tobacco	Millet	Sugarcane
♦ Mandarins	Flax	Mustard	Sunflowers
♦ Murcotts	Florida Fruit Tree:	Nursery	Sweet Corn
♦ Oranges	♦ Carambola Trees	Oats	Sweetpotatoes
♦ Tangelos	♦ Grapefruit Trees	Onions	Table Grapes
♦ Tangerines	♦ Lemon Trees	Peaches	Tomatoes
	♦ Lime Trees	Peanuts	Walnuts
	♦ Orange Trees	Pears	Wheat
	♦ All other citrus		Winter Squash

Note: These policies represent over 36,000 county crop programs.

Size of Program and Costs



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